

**ASSEMBLY BILL**

**No. 1568**

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**Introduced by Assembly Members Bonta and Atkins**

January 4, 2016

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An act to add Article 5.5 (commencing with Section 14184) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1568, as introduced, Bonta. Medi-Cal: demonstration project.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits and services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides for a demonstration project under the Medi-Cal program until October 31, 2015, to implement specified objectives, including better care coordination for seniors and persons with disabilities and maximization of opportunities to reduce the number of uninsured individuals.

This bill would require the State Department of Health Care Services to implement a waiver or demonstration project authorized under a specified federal waiver that, among other things, includes a delivery system transformation and alignment incentive program for designated public hospital systems and district municipal hospitals. The bill would require the department to consult with interested stakeholders and the Legislature in implementing this waiver or demonstration project.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Article 5.5 (commencing with Section 14184) is added to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 5.5. Renewal of Health Care Coordination,  
Improvement, and Long-Term Cost Containment Waiver or  
Demonstration Project

14184. (a) The department shall implement a waiver or a demonstration project authorized under Section 1115 of the federal Social Security Act that includes all of the following:

(1) A global payment program for services to the uninsured in designated public hospital systems that converts existing disproportionate share hospital funding and safety net care pool uncompensated care funding to a system focused on value and improved care delivery.

(2) Delivery system transformation and alignment incentive program for designated public hospital systems and district municipal hospitals, which shall be known as Public Hospital Redesign and Incentives in Medi-Cal (PRIME).

(3) A dental transformation incentive program.

(4) A whole person care pilot program, which would be a voluntary, county-based program to target providing more integrated care for high-risk, vulnerable populations.

(5) An independent assessment of access to care and network adequacy for Medi-Cal managed care beneficiaries.

(6) An independent study of uncompensated care and hospital financing.

(b) In implementing this waiver or demonstration project, the department shall consult with interested stakeholders and the Legislature.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

1     In order to make changes to state-funded health care programs  
2     at the earliest possible time, it is necessary that this act take effect  
3     immediately.

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